

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:357

ANSWERED ON:18.08.2005

HANDING OVER OF OIL WELLS TO PRVATE COMPANIES

Patel Shri Jivabhai Ambalal;Thummar Shri Virjibhai

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether some oil wells and oil blocks discovered by Oil and Natural Gas Commission(ONGC) and other public sector undertakings are being handed over to multinational and private companies;

(b) if so, the details thereof and the reasons therefor;

(c) whether these multinationals and private companies are not bearing the expenditure incurred on the discoveries of oil and gas by ONGC and other public sector undertakings;

(d) if so, the facts thereof; and

(e) the reaction of the Government thereto?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. 357 BY SHRI V.K. THUMMAR AND SHRI JIVABHAI AMBALAL PATEL TO BE ANSWERED ON THE 18TH AUGUST, 2005 REGARDING HANDING OVER OF OIL WELLS TO PRIVATE COMPANIES

(a) & (b) : The Government of India have contracted 29 medium and small size oil and gas fields which were discovered by Oil and Natural Gas Corporation Ltd. (ONGC) and Oil India Ltd. (OIL) to private and multi-national companies under two rounds of bidding for discovered fields. The details are given in the Annexe.

In addition, ONGC have also awarded the following 6 onland marginal fields on service contracts to private companies:-

3 fields, namely, West Bechraji, Khambel and Hirapur in Gujarat State, awarded to M/s. Prize Petroleum Company Limited.

3 fields, namely, Laxmijan, Bihubar and Barsilla in Assam State, awarded to M/s. Assam Company Limited.

In addition, 19 marginal fields in Mumbai Offshore in 9 clusters have been offered by ONGC on 27.12.2004 for development on service contracts. These fields are:-

Cluster - 1:B-178, B-179, B-180
Cluster - 2:B-28A, B-80
Cluster - 3:B-127, B-59
Cluster - 4:B-37, B-134
Cluster - 5:B-157, BHE
Cluster - 6:WO-15, WO-5
Cluster - 7: B-192, B-45,WO-24
Cluster - 8:D-18
Cluster - 9:B-28, B-23A

The main reasons for offering small and medium size oil and gas fields by the Government are as follows:-

- i) Some of the fields were isolated with marginal economics.
- ii) To augment oil and gas production by bringing some non producing or low productivity fields into production with the help of private operators..

- iii) To provide Enhanced Oil Recovery (EOR) in some fields.
- iv) To tide over the problem of resource crunch, particularly with regard to the foreign exchange component being faced at that time.

(c) & (e): The companies were not required to bear the entire expenditure incurred on the discoveries of oil and gas by the National Oil Companies because;

- the fields were awarded against International Competitive Bidding to companies offering the best terms; and
- in evaluating the bids it was the total Government take by way of Profit Petroleum, notional Income Tax, statutory levies along with amounts payable to ONGC by way of signature/production bonus and past cost that was considered while finalizing the awards of these fields.

It was decided in 1999 to discontinue this policy of Government offering discovered fields for bidding to private parties.

ANNEXE

Annexe referred to in the reply to parts (a) & (b) of Lok Sabha Starred Question No. 357 by Shri B.K. Thummar and Shri Jivabhai Ambalal Patel to be answered on 18.8.2005 regarding Handing over of Oil wells to private companies.

Details of Discovered fields Awarded in the 1st Round

Sl.No.	Field Name	Consortium with whom contracts signed	Date of Signing Contracts
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Medium size fields

1. Kharsang Geo Enpro (10%), Geopetrol (25%), Enpro (25%) and OIL (40%) 16.06.95
2. Ravva Cairn Energy (22.5%), Videocon Petroleum Ltd. (25%), Ravva Oil Pte. Ltd. (12.5%) & ONGCL (40%) 28.10.94
3. Mid&South Tapti British Gas Exploration & Production India Ltd. (BGEIL) (30%)Reliance India Ltd. (RIL) (30%) & ONGCL (40%) 22.12.94
4. Panna & Mukta British Gas Exploration & Production India Ltd. (BGEIL) (30%)Reliance India Ltd. (RIL) (30%) & ONGCL (40%) 22.12.94

Small size fields

5. Asjol HOEC (50%) Gujarat State Petroleum Corporation Ltd (GSPCL) (50%)
6. Lohar Selan Exploration Technologies Ltd.(100%) 13.03.95
- 7 Indrora Selan Exploration Technologies Ltd.(100%) 13.03.95
8. Bakrol Selan Exploration Technologies Ltd. (100%) 13.03.95
9. Wavel Larson & Toubro (L&T) (50%)Joshi Technology Inc. (JTI) (50%) 20.2.95
10. Dholka Joshi Technology Inc. (JTI) (100%) 20.02.95
11. Baola Interlink Petroleum Ltd. (100%) 05.04.95
12. Sabarmati Niko (40%) & GSPCL (60%) 23.09.94
13. Cambay Niko (33.33%) & GSPCL (66.67%) 23.09.94
14. Bhandut Niko (40%) & GSPCL (60%) 23.09.94

15. Hazira	Niko (33.33%) & GSPCL (66.67%)	23.09.94
16. Matar	Niko (40%) & GSPCL (60%)	23.09.94
17. PY-1	Mosbacher India LLC (35%), HOEC (30%) & Energy Equity India Petroleum Ltd. (EEIPL) (35%)	06.10.95
18. Modhera	Interlink Petroluem Ltd.(100%)	23.2.2001
19. Karjisan	Selan Expl. Technologies (100%)	16.02.04

Details of Discovered fields Awarded in the 2nd Round.

Sl. No. Field Name Consortium with whom contracts signed Date of Signing Contracts

Small size fields

20. N. Balol	GSPCL (45%), HOEC (25%), Heramac (30%)	23.2.2001
21. Kanawara	GSPCL (45%), HOEC (25%), Heramac(30%)	23.2.2001
22. Allora	GSPCL (45%), HOEC (25%), Heramac (30%)	23.2.2001
23. Unawa	GSPCL (45%), HOEC (25%), Heramac(30%)	23.2.2001
24. N. kathana	GSPCL (45%), HOEC (25%), Heramac(30%)	23.2.2001
25. Dholasan	GSPCL (45%), HOEC (25%), Heramac(30%)	23.2.2001
26. Sangapur	Hydrocarbon Res. Dev. Co. (P) Ltd.(51%), Hardy (49 %)	23.2.2001
27. Amguri	Assam Company Ltd. (40%), CONORO Resources Ltd.(60%)	23.2.2001
28. Ognaj	Selan Expl. Technologies (100%)	16.02.04

Medium size field

29. Ratna R-Series,	Essar Oil Limited-Premier Oil Pacific	Yet to be signed
Mumbai Basin		